

AMENDED IN ASSEMBLY MAY 22, 1998  
AMENDED IN ASSEMBLY APRIL 28, 1998  
AMENDED IN ASSEMBLY APRIL 16, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2453**

**Introduced by Assembly Member Campbell**

February 20, 1998

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An act to amend Sections 15381, 15382, 15383, 15384, 15385, 15386, and 15387 of the Government Code, relating to small business.

LEGISLATIVE COUNSEL'S DIGEST

AB 2453, as amended, Campbell. California Small Business Development Center Program.

Existing law establishes the California Small Business Development Center within the Office of Small Business in the Trade and Commerce Agency, with specified goals and the responsibility to administer a statewide plan developed by the agency. The plan is required to include specified components and describe specified services to be offered by local small business development centers and funded by grants from the agency. The director of the program is appointed by the Governor upon recommendation of the Secretary of Trade and Commerce, and holds office at the pleasure of the Governor. Funds for purposes of the program are appropriated in the annual Budget Act to the California Small Business Development Center Fund.

This bill would revise various aspects of the California Small Business Development Center Program, including the goals of the program and the activities to be performed by the local small business development centers. It would require the first plan to be completed no later than July 1, 1999, and updated biennially. It would provide that the activities are to be performed pursuant to a contract between the agency and the small business development center, and would provide that the director would be appointed by the Secretary of Trade and Commerce.

This bill would provide that the California Small Business Development Center Fund is established in the State Treasury and would set forth the sources from which the fund may receive money and the manner in which its moneys may be invested.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 15381 of the Government Code  
2 is amended to read:  
3 15381. It is the intent of the Legislature to stimulate  
4 the economy and promote new job opportunities by  
5 assisting in the development of small businesses,  
6 including increased sales, investment, and international  
7 trade, by providing a comprehensive network of services  
8 to these businesses. These services shall include  
9 management assistance, business education and training,  
10 capital formation assistance, economic and business data  
11 dissemination, and technical assistance. It is further the  
12 intent of the Legislature to provide for the transfer of new  
13 technological development to the small business sector  
14 by linking research and development institutions to small  
15 business owners.  
16 It is the intent of the Legislature that the network of  
17 services developed pursuant to this chapter be accessible  
18 to small businesses in the state by means of, among other  
19 things, a computerized data base. The Legislature



1 intends for this data base to be an inventory of available  
2 services to small businesses.

3 It is the intent of the Legislature to provide assistance  
4 to California's small businesses by management and staff  
5 experienced and knowledgeable in small business  
6 matters, whose skills are not always readily available  
7 within the civil service system.

8 It is the intent of the Legislature that the California  
9 Small Business Development Center Program goals  
10 include the following:

11 (a) Seek out appropriate sources of federal, state, and  
12 local public and private funding to support SBDCs.

13 (b) Promote and render client services available  
14 through the SBDCs to meet regional small business  
15 needs.

16 (c) Provide services to small manufacturing  
17 companies for long-term growth and job creation.

18 (d) Set measurable short- and long-term goals and  
19 objectives articulated in the CSBDC statewide strategic  
20 plan.

21 SEC. 2. Section 15382 of the Government Code is  
22 amended to read:

23 15382. For the purposes of this chapter, the following  
24 definitions apply:

25 (a) "CSBDC" means the California Small Business  
26 Development Center Program.

27 (b) "CSBDC Strategic Plan" means the plan prepared  
28 by the agency pursuant to subdivision (b) of Section  
29 15383.

30 (c) "SBA" means the federal Small Business  
31 Administration.

32 (d) "SBDC" means a Small Business Development  
33 Center which is the local service delivery provider.

34 SEC. 3. Section 15383 of the Government Code is  
35 amended to read:

36 15383. (a) There is hereby created within the  
37 agency, in the Office of Small Business, the California  
38 Small Business Development Center Program, or  
39 CSBDC.

(b) The agency shall develop a strategic plan for the CSBDC with the cooperation of CSBDC partners, including, but not limited to, SBDCs, the Chancellor's Office of the California Community Colleges, and the SBA. The strategic plan shall be completed no later than July 1, 1999, and updated biennially. The first strategic plan shall include, but not be limited to, the following elements:

(1) Defining the role of the CSBDC in California's economic development effort.

(2) Ensuring a quality improvement and control system.

(3) Promoting the competitive advantages of the CSBDC network.

(4) Leveraging public and private resources.

(5) Developing strong relationships with partners and stakeholders.

(6) Providing peer support and professional development.

(7) Providing collaborative regional responses to economic development needs.

(8) Developing initiatives consistent with the changing economy.

(9) Maximizing technology for service delivery and program operations.

SEC. 4. Section 15384 of the Government Code is amended to read:

15384. (a) The agency shall administer the CSBDC and establish SBDCs according to the CSBDC Strategic Plan.

(b) The services to be provided by the SBDCs may be performed by independent contractors, private nonprofit corporations, public institutions, and local governments. Contracts shall be awarded on a competitive basis by a request for proposal process. Each SBDC shall include, but is not limited to, the following components:

(1) An advisory board comprising six or more members, a majority of whom shall be small business owners or represent small business owners. Board

1 members shall reside or maintain a place of business  
2 within the area served by the SBDC. The advisory board  
3 shall do all of the following:

4 (A) Provide advice to the SBDC director on the SBDC  
5 activities.

6 (B) Identity outreach opportunities to the SBDC  
7 director.

8 (C) Provide feedback to the SBDC director on the  
9 services provided.

10 (2) Participation agreements with private individuals  
11 and firms to provide professional services either pro bono  
12 or at a reduced fee. Examples of participants include  
13 accountants, loan packagers, attorneys, business  
14 counselors, and economic development specialists.

15 (3) Cooperative agreements with private nonprofit  
16 corporations, public institutions, and local jurisdictions  
17 who shall coordinate services such as information  
18 dissemination, counseling and technical assistance, job  
19 training and placement, and special projects such as “how  
20 to” workshops for individuals starting businesses,  
21 technology transfer, government procurement,  
22 innovative research, and international trade.

23 Examples of participants include Minority Business  
24 Development Agency (MBDA) grantees, Small Business  
25 Financial Development Corporations, the SBA, the  
26 Service Core of Retired Executives (SCORE), the  
27 California Community Colleges and the California State  
28 University, Small Business Institutes (SBI), local job  
29 training and placement agencies, the California Office of  
30 Small and Minority Business, local economic  
31 development programs, redevelopment agencies, and  
32 coordinators of state enterprise zones, employment  
33 incentive areas and main street projects, and projects of  
34 the California Certified Development Corporation.

35 SEC. 5. Section 15385 of the Government Code is  
36 amended to read:

37 15385. (a) Each SBDC shall provide a local match,  
38 not to exceed 25 percent of the total SBDC budget, as  
39 specified in the agreement between the agency and the  
40 ~~SBDC. For purposes of this chapter, funds provided by~~

1 ~~the Chancellor's Office of the California Community~~  
2 ~~Colleges for the SBDC shall be considered state match~~  
3 ~~funds, and not local match funds. SBDC.~~

4 (b) Other than an increase in the agreement amount,  
5 any revision or change in the budget of any contract  
6 between the agency and an SBDC shall be made as  
7 determined by the agency and the SBDC as provided in  
8 the contract, and shall not be an amendment to the  
9 contract.

10 (c) SBDCs may be funded for successive terms by  
11 negotiated agreements between the agency and the  
12 SBDC based upon the SBDC's prior performance in  
13 meeting specified performance criteria and measurable  
14 objectives detailed in the negotiated agreement.

15 (d) In order to reduce cost to the state, the agency may  
16 pursue funds from the SBA.

17 (e) SBDCs may charge reasonable fees for services as  
18 approved by the CSBDC director.

19 (f) The agency may review and approve expenditures  
20 of all CSBDC funds to ensure conformity with the  
21 provisions and intent of this chapter.

22 SEC. 6. Section 15386 of the Government Code is  
23 amended to read:

24 15386. The program shall have a director, who shall be  
25 appointed by the secretary. The director shall be subject  
26 to all applicable provisions of state civil service law, and  
27 shall receive a salary fixed by the secretary with the  
28 approval of the Department of Personnel  
29 Administration.

30 SEC. 7. Section 15387 of the Government Code is  
31 amended to read:

32 15387. (a) The California Small Business  
33 Development Center Fund is hereby established in the  
34 State Treasury to receive donations, program income,  
35 private funds, any other nonstate and nonfederal funds,  
36 and interest that accrues to moneys in the fund.

37 (b) The Treasurer shall invest moneys in the fund not  
38 needed to meet current obligations in the same manner  
39 as public funds are invested.

1 (c) Private moneys contributed to the fund shall only  
2 be distributed in a manner consistent with the CSBDC  
3 Strategic Plan and program goals, and only following  
4 consultation with the SBA and the Chancellor's Office of  
5 the California Community Colleges.

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